



Watkinson Capital Advisors

Watkinson Capital Advisors LLC

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MUNICIPAL BOND ADVANTAGE STRATEGY

Portfolio Manager: William J. Watkinson

As of: January 1st 2012

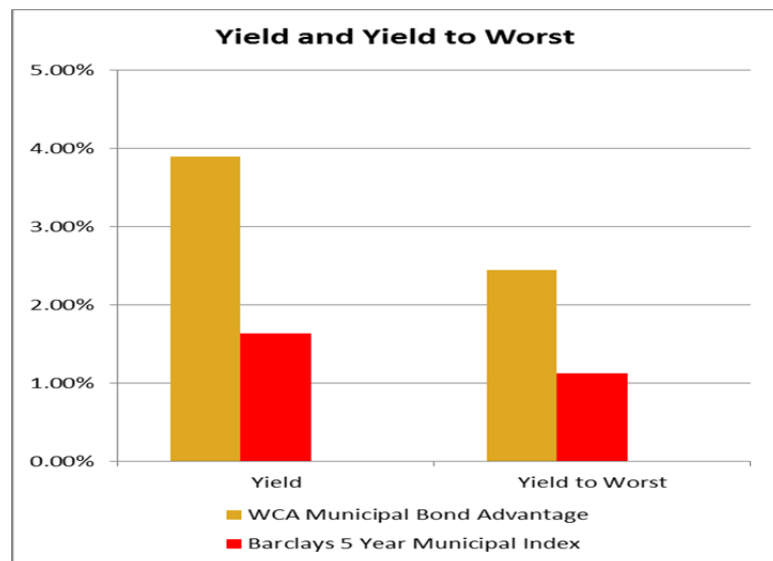
Comparative Yield Advantage

Watkinson Capital Advisors

Yield	3.89 %
Yield To Worst	2.44 %
Avg. Duration	2.39 yrs.
Avg. Maturity	7.38 yrs.

Barclays 5 Year Municipal Bond Index

Yield	1.63 %
Yield To Worst	1.12 %
Avg. Duration	3.94 yrs.
Avg. Maturity	4.96 yrs.



Investment Philosophy

Watkinson Capital Advisors LLC is a registered investment advisor with a focus on the municipal bond market. We identify and locate quality municipal bonds with superior yields, on a national basis, while concentrating on principal safety and return. Watkinson Capital Advisors LLC exploits inefficiencies in this niche market by purchasing bonds that are undervalued, under priced or misunderstood. We build portfolios consisting of individual bond issues in a separately managed account. Providing customized portfolios for our clients that have the best proportions of current yield, upside potential & downside protection is our mission. Our current posture is to achieve capital preservation and growth while meeting the current and long-term financial needs of our clients. To achieve this objective we limit our dependence on the forecasting of interest rates. Instead, we seek to control the risk-return profile of the portfolio relative to the predetermined benchmark by maintaining a relatively short duration.

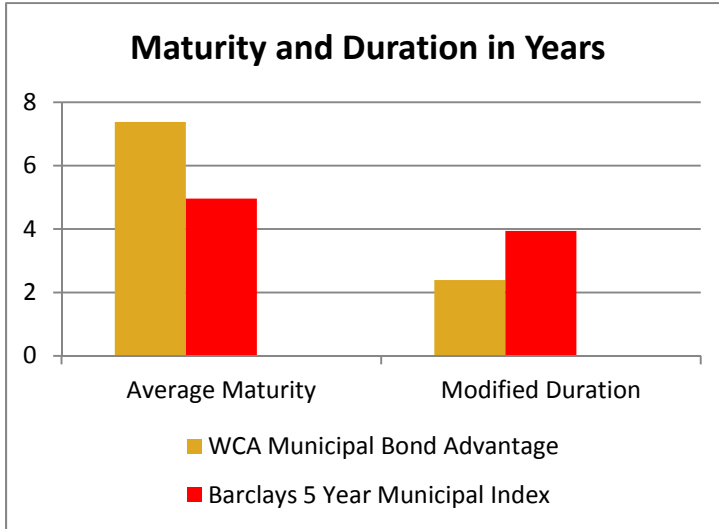
Investment Methodology

Our model is labor intensive. Watkinson Capital Advisors LLC looks at many offerings on a daily basis and can bid direct on those bonds that are for sale in the marketplace, oftentimes eliminating the middleman. We manage complicated bond issues with the use of advanced analytics, and stress test our portfolios in various ways. We monitor credit rating changes in our portfolios on a daily basis. Our primary objective is to obtain as high a level of current income exempt from federal individual income tax concurrent with a focus on preservation of capital. A secondary objective is to reduce volatility or expected changes in bond prices, utilizing modest maturities, compared to longer term bond portfolios.

Risk Management

The bonds we purchase are primarily investment grade with a modest average life and duration. We diversify on a national basis and strive to avoid those municipal credits which are faltering. Instead of reaching for yield through speculation, we attempt to buy our positions wholesale. Ours is a laddered portfolio of municipal bonds from throughout the U.S. and its territories, with a current average maturity of less than ten years, resulting in less exposure to interest rate risk than investments with longer average maturities. There is no guarantee that the Fund will meet its investment objectives.

Competitive Advantages



Because of our size, we are nimble and can fly below the radar of larger dealers, banks and municipal bond funds. Because of this, we can buy attractively priced smaller municipalities, lesser size blocks, and a group of municipals called “story” or “goodie bonds”, which are widely traded, but undervalued. It is the knowledge and recognition of the existence of these special situations which we uncover, learned only through years of experience that can result in a higher net yield for our clients.

Portfolio Manager



William J. Watkinson, Chief Investment Officer of the Municipal Bond Advantage Strategy, is President and CEO of Watkinson Capital Advisors LLC. Mr. Watkinson is responsible for establishing and implementing client asset allocation strategies, building fixed income positions and periodic portfolio rebalancing. He is involved in establishing and cultivating relationships with high net worth individuals, small to mid size institutions and financial advisors while directing the Municipal Bond Advantage Strategy’s investment philosophy and strategy. Mr. Watkinson is a business development professional with an extensive background in fixed-income, having worked with diverse financial service companies that total over 35 years experience.

Watkinson Capital Advisors LLC (“WCA”) is an SEC registered investment adviser located in the Commonwealth of Pennsylvania. Watkinson Capital Advisors LLC (“Watkinson”) portfolio results represent results for actual continuous managed portfolios during the corresponding time period. The performance results reflect the reinvestment of dividends and other account earnings, and are gross of applicable account transaction and/or custodial charges, and Watkinson’s investment management fee. Please Note: Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance will be profitable, equal the performance results reflected, or equal any corresponding historical benchmark index, including the Barclays 5 year Municipal GO Index. Please Also Note: (1) performance results do not reflect the impact of taxes; (2) It should not be assumed that account holdings will correspond directly to any such comparative benchmark index; (3) comparative indices may be more or less volatile than the Watkinson portfolios; and (4) a description of each comparable index is available upon request. he/she/it is encouraged to advise Watkinson

immediately. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments purchased and/or investment strategies devised or undertaken by Watkinson) will be either suitable or profitable for a client’s or prospective client’s portfolio. All performance results have been compiled by Watkinson, and have not been independently verified. Information pertaining to Watkinson’s advisory operations, services, and fees is set forth in Watkinson’s current disclosure statement, a copy of which is available from Watkinson upon request. For reasons including variances in portfolio account holdings, variances in the investment management fee incurred, market fluctuation, the date on which a client engaged Watkinson’s investment management services, and any account contributions or withdrawals, the performance of a specific client’s account may have varied substantially from the indicated performance results. In the event that there has been a change in a client’s investment objectives or financial situation

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